

## ***VI. Situation Analysis/Environmental Scan***

The situation analysis component of your strategic planning process may be the only time when your organization systematically reviews where it is, the factors that might influence where it can go, and what it must take into account to get there.

The **situation analysis is the foundation for the formation of goals and objectives**. It describes the playing field; it does not propose solutions or direct actions.

Understanding these factors helps the agency identify and focus on the “real” strategic issues that must be addressed during the planning process – to set the priorities that are right for the organization. These issues provide a framework for setting goals and objectives.

Situation analysis is the **foundation of strategic thinking and planning**. The analysis, however, must be larger than mere “fact finding.” It must provide **situation insights**.

**If the situation analysis is right, then all that follows will be right.**

The strategic planning statute requires a brief summary of the situation analysis/environmental scan completed by the agency. It does not prescribe a format. The **four components below are commonly (but not always) included in an effective situation analysis**. They are generally **sequential and build upon each other**.

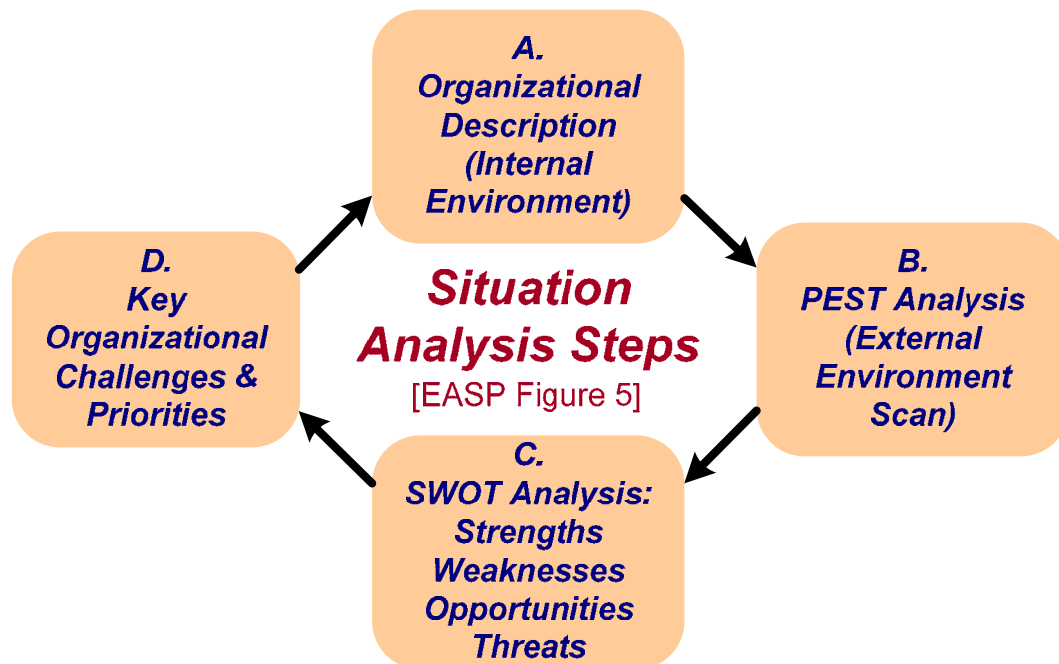
This approach encourages systematic and logical thinking and provides a method for those involved in strategic planning to share the thinking that often is not articulated. Bringing the elements in each of these steps to the surface improves the perception and thinking of the strategic planning team. Some other approaches may contain only one or two of these steps, which means that participants don’t contribute as much as they might. That in turn leads to a sketchier and less insightful situation analysis than might be available to your organization using this four-step approach.

However, the statute does not stipulate a specific approach to developing your situation analysis. The approach below is a recommendation, but not a requirement. You may undertake a situation analysis however you want.

## ***Situation/Environmental Analysis Steps***

Situation and environmental analysis allows you to consider all the key factors that will or could affect your ability to succeed in achieving your vision, goals, and objective.

It also allows you to identify and evaluate the key factors that have contributed to past and current behavior and performance – to successes and shortcomings. The process looks like this:



1. Complete an organizational description - internal organizational scan.
2. Complete an external environment scan - PEST Analysis.
3. Complete a SWOT analysis.
4. Review your SWOT findings to identify your agency's critical success factors and key organizational challenges.